



Associated Student Body Accounting Manual

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INTRODUCTION

The purpose of an Associated Student Body (ASB) fund is to promote the general welfare and morale of the students.

Many issues are involved with the management of ASB funds and operations. First, in sharp contrast to most other funds, which are received by the District in the form of checks or wire transfers, most ASB funds are received in cash. It is always easier for fraud, abuse, or human error to occur when funds are in cash, so internal controls are extremely important.

Local communities and members of the public are typically sensitive to ASB issues and often pay special attention to this area. The media are also frequently quick to report on these issues.

The District is ultimately responsible for ASB funds and expenditures. See [HSD Student Activity Fund Policy](#) for more information.

ROLES AND RESPONSIBILITIES – ADMINISTRATION OF AN ASSOCIATED STUDENT BODY

GOVERNING BOARD OF DIRECTORS

The Board of Directors (Board) is ultimately responsible for everything that happens in the District, including the activities of ASB organizations. The Board establishes the parameters for the operation of the District through Board policies.

SUPERINTENDENT

The superintendent is responsible for ensuring the implementation of Board policies and that staff follow those policies. In addition, the superintendent is responsible for establishing procedures by which staff remain in compliance with Board policy. This is normally done by instituting administrative regulations.

BUSINESS OFFICE

The District's Business Office establishes accounting procedures for the ASB financial activities to ensure compliance with federal and state statutes, Board policies, and accounting principles. The Business Office will assist in training, serve as a resource to schools, and conduct internal audits and regular continuous monitoring of financial activities.

PRINCIPAL

The principal provides oversight and is responsible for ensuring that student body funds are spent for the general welfare of the student body. While the principal has the ultimate responsibility for all activities at the school site, many responsibilities for ASB management functions may be delegated to the office manager or other staff members.

ASB BOOKKEEPER

The ASB bookkeeper is responsible for ensuring the proper documentation and evidential matter is obtained for all transactions. The bookkeeper provides appropriate cash receipt forms to all club advisors, prior to fundraising events, and requires adequate and complete documentation prior to disbursing any funds from a student body account. The ASB bookkeeper is responsible for keeping the principal informed when issues arise. For elementary schools, the office manager serves as the bookkeeper.

CLUB ADVISORS

Club advisors are responsible for monitoring the financial activity for their individual club or organization. Teachers are considered to be the club advisor for classroom activities.

ACTIVITIES DIRECTOR

The activities director supervises and advises the organization and operation of the student government, coordinates the activities of the ASB clubs, and assists in the management of ASB financial matters by monitoring student accounts.

STUDENT COUNCIL

The student council represents the students and has the primary authority regarding how funds raised by the students will be spent.

INTERNAL AUDITOR

The internal auditor will typically be the District's finance manager. Internal audits are designed to improve the operations of the ASB by providing insight and recommendations based on analysis and assessment of data and processes.

INDEPENDENT AUDITORS

ASB records are audited annually by independent auditors. If the auditors identify a problem or significant weakness in how ASB funds were managed during the school year, they will report the weakness to the District's chief financial officer. Audit findings are used as a tool to strengthen operations and to ensure such errors do not happen again.

BOOSTER CLUB

The relationship between booster clubs, foundations, parent-teacher associations, and an ASB is often confusing. ASBs are legally considered part of the District. Groups, e.g., booster clubs, foundations, and other auxiliary organizations, are *separate legal entities* and therefore are not part of the District. Funds raised by separate legal entities cannot not be deposited into nor commingled with the funds or bank accounts of the student organization or the District. The funds from such groups must be deposited into the organization's own bank account.

A principal may choose to allow a parent-teacher group that is *not* set up as a separate legal entity to operate under the umbrella of the ASB.

FORMING AN ASSOCIATED STUDENT BODY ORGANIZATION

ASB TYPES: ORGANIZED VS. UNORGANIZED

ASB organizations are classified as either organized or unorganized. In general, unorganized ASBs are those in which the students *do not* govern the ASB organization. Organized ASBs are those in which the students organize their activities around student clubs and a student council. While it is allowable for an unorganized ASB to operate as if it is an organized ASB, it is not appropriate for an organized ASB to operate as if it is unorganized.

The requirements for unorganized ASBs are generally not as complex or specific as for organized ASBs. Except where noted, guidance in this manual applies to both types of organizations.

ELEMENTARY SCHOOLS - UNORGANIZED ASBs

In elementary schools, the ASB organization is called unorganized because as a rule, the students do not govern the ASB organization. Usually, there is only the primary student body organization and no additional clubs with a more focused agenda.

Although students in unorganized ASBs raise funds, they usually have more limited involvement in making decisions about the fundraising events and how the funds are to be spent. The Board delegates the authority to oversee the raising and spending of funds to the principal or another school employee, who is able to make all of the decisions related to the ASB operations and funds.

SECONDARY SCHOOLS - ORGANIZED ASBs

Student organizations in middle and high schools are called organized because the students organize their activities around student clubs and a student council. The District administration and advisors have oversight over the ASB.

Organized ASBs normally have individual clubs under the primary student body organization, each with its own focus and organizational requirements. Students in organized ASBs are primarily responsible for their organizations; the student council and student club leaders hold formal meetings, develop budgets, plan fundraisers, decide how the funds will be spent, and approve payments. The students make the decisions; the school administration, ASB bookkeeper, and club advisor(s) assist and advise.

To promote good governance, the principal should require students who wish to form a new club to submit a formal application that has the endorsement a teacher or other faculty member of the school and who agree to serve as the club advisor for the entire school year.

Constitution and Bylaws

The student council and each club should prepare and adopt an official constitution. The constitution states the name and purpose of the organization and presents the framework within which the organization will operate. This document should clearly state all of the policies and rules for student governance of the student organization or club. Bylaws identify operational parameters and are often part of the constitution.

At a minimum, the constitution should include the following:

- The name and purpose of the organization.
- The type of activities the organization will conduct.
- The membership requirements for the organization, including the eligibility requirements.
- The definition of quorum.
- How the constitution is amended.
- The titles, terms of office, and duties of the officers.
- How officers are elected and eligibility requirements.
- Whether or not the club/organization will be represented on the student council.
- How representatives other than officers will be selected.
- The qualifications for eligibility on the student council.
- The term limits on the student council.
- How the club advisors will be appointed.
- The time, frequency, and place for meetings.
- How and when the budget is prepared and who is responsible for monitoring it.
- How expenses are approved.

ASB ORGANIZATION AND CLUB TRUST ACCOUNTS

To become a recognized part of the ASB organization, a club, like an ASB student organization, must be composed entirely of currently enrolled students. These clubs, also known as trust accounts for financial purposes, must have the approval of the student council and the principal, at the Board's direction. Any group of students may apply for permission to form a club by submitting a proposed charter of constitution to the ASB. The ASB constitution should specify what needs to occur.

There are generally three types of trust accounts in schools:

- Class groups, e.g., the freshman class.
- Scholarships and memorials.
- Clubs.

Each club must have a purpose, hold regular meetings, and have a constitution that outlines policies and rules. Bylaws outlining specific operational parameters should also be in place. All clubs operate under the same regulations as the ASB organization. All student club and trust accounts are part of the general ASB, so if a club becomes inactive, the funds should be transferred to the general ASB, unless there are specific instructions to do otherwise. The ASB bylaws or guidelines in the constitution should also contain a definition of an inactive club. An inactive club is a club with no financial activity for more than three years.

MINUTES OF MEETINGS

The student council and each club should prepare and maintain a record of each meeting. These records are called minutes. The meeting minutes serve as the record of each meeting and the

actions taken during the meeting and demonstrate that the student council or club has followed the ASB organization's policies and procedures.

Minutes are not a verbatim transcript of every word spoken; rather, they are a concise documentation of the essential matters discussed at each meeting so there is a record of what occurred. It is important to remember that abbreviations that mean something to one group may mean nothing to someone else reading the minutes a year later, therefore, the use of abbreviations for special projects or groups should be avoided.

GENERAL BUSINESS PRACTICES AND INTERNAL CONTROLS

ESTABLISHING THE BANK ACCOUNT

Because the ASB organization is opening the bank and savings accounts using the District's federal employer identification number, the Business Office must be notified when any bank accounts need to be opened or closed. Additionally, the ASB's financial institution will require authorization from the chief financial officer allowing an ASB to establish a bank account.

The bank accounts must be held in the name of the ASB organization and not in the name of any individual. These bank accounts are for the exclusive use of the ASB organization. The principal will establish procedures to ensure that only ASB funds are deposited into these accounts. There must be at least two signers set-up for each bank account. The bookkeeper and students cannot be signers on ASB accounts. ASB accounts will have at least one back-up signer due to school sites being closed during the summer and on holidays.

Clubs, coaches, etc., involved in school related activities are not permitted to open their own bank account. School activities should be contained within the ASB fund. Whenever possible, funds should be placed in interest-bearing accounts.

INTERNAL CONTROLS

Internal controls are the foundation of sound financial management. They include the policies and procedures that an organization establishes to do the following:

- Ensure that operations are effective and efficient.
- Safeguard and preserve the organization's assets.
- Promote successful fundraising ventures.
- Protect against improper fund disbursements.
- Ensure unauthorized obligations cannot be incurred.
- Provide reliable financial information.
- Reduce the risk of fraud and abuse.
- Protect employees and volunteers.
- Ensure compliance with applicable laws and regulations.

The basic components of internal controls include the following:

- Segregation of duties.
- System of checks and balances.
- Staff cross-training.
- Use of pre-numbered documents.
- Asset security.
- Timely reconciliations.
- Inventory records.

Internal controls are also affected by the practices and attitudes of management. The answer to the following questions should be affirmative:

- Does the principal set a good example by following established policies?
- Does the ASB advisor ensure students follow the established policies and help students understand the reasons behind the policies and procedures?

INTERNAL CONTROLS CHECKLISTS

Principal

The principal is the primary manager and responsible person at the school site. Many principals delegate the responsibility and authority for ASB coordination and management to others, e.g., vice principal, ASB advisor, club advisors, a teacher, or other staff. This varies by school level and school size.

All Schools:

- At the beginning of each year, do you spend some time at a staff meeting discussing ASB issues, operations, and internal controls at the school, e.g., what is allowed and what are the procedures?
- Do you spend time each month discussing ASB activities with the ASB bookkeeper, particularly problems that are developing?
- Do you report any questionable or suspicious activities to the Business Office for investigation?
- Do you verify that only ASB funds are maintained in ASB bank accounts? Monies belonging to separate legal entities, e.g., booster clubs and PTAs, cannot be deposited into ASB bank accounts.
- Do you ensure only allowable expenses are paid from ASB funds?
- Do you verify all ASB bank accounts are reconciled within two weeks of the end of each month?
- Are you one of the individuals authorized to sign ASB checks? Who are the other approved signers?
- Do you review and initial the bank reconciliation and bank statement each month as evidence of your review?

- Is there a safe adequate to hold all cash receipts until deposit?
- Are bank deposits made at least weekly?
- Do you review ASB financial reports monthly?

Secondary Schools:

- Is each club advisor an employee of the District?
- Is a formal application required from any students who want to establish a new club at the school?
- Do the student council and all clubs have a constitution that establishes the policies and rules for the student governance of the council or club?
- Are all clubs required to prepare and maintain minutes of all club meetings?
- Are the student council and each club required to prepare a budget for the fiscal year?
- Do you use a purchase order and/or check request form with the three required approval signatures?
- Do you ensure students are truly approving expenditures and that adults (teachers, advisors, or coaches) are not making the decisions?
- If food is sold in the student store, has it been approved by the director of Nutrition Services?
- If you clearly delegated specific responsibilities and authority to an ASB advisor or advisors, do you meet regularly to coordinate and collaborate regarding school site needs and activities?

ASB Advisor

The ASB advisor is a vital contributor to the success of ASB operations. For secondary schools, the principal may delegate responsibility and authority to the ASB advisor. When this is the case, a number of the items identified above as internal control questions for the principal apply to the ASB advisor.

- Do you feel the principal and/or office staff has adequately explained your responsibilities?
- Do you know where to go for help if you have questions about ASB policies or procedures?
- Do you ensure minutes are taken at each club meeting with all necessary items noted?
- Do you assist your club in preparing and monitoring an annual budget?
- Do you monitor spending during the year to ensure the club will not end the year with a large carryover balance or a negative balance?
- Do you work with your club to ensure fundraisers are appropriate and adequate controls are in place to make them successful?
- Do you work with the students to establish and implement cash receipt control procedures for each fundraising event?
- Is potential revenue projected for each fundraising event?
- Do you ensure that cash receipts are given to the ASB bookkeeper immediately, or as soon as possible, after the fundraising event?
- Do you count the cash receipts in the presence of a second person?

- Do you understand what types of expenses for which ASB funds are allowed to be used?
- Are you one of the individuals who pre-approve expenditures (with a student representative and the principal) via a purchase order or check request?
- Do you review ASB financial reports monthly?
- If you are the advisor for the student store, are additional internal controls in place, e.g., comparing sales to inventory, periodic inventory of goods, and review of pricing policy?

ASB Bookkeeper

Many accounting functions need to be performed for ASB operations. In the best-case situation, a person with adequate time and appropriate technical skills and knowledge will be assigned to perform these functions.

All Schools:

- Do you have sufficient time to devote to ASB recordkeeping?
- Do you understand the appropriate internal controls for cash receipts from each type of fundraising event?
- Do you ensure students and staff establish cash receipt control procedures for each fundraising event?
- Do you maintain an adequate stock of supplies for cash receipt control procedures, e.g., pre-numbered tickets and pre-numbered receipt books?
- Is cash deposited into the bank account within a few days after it is collected and received?
- Are all expenses approved in advance?
- Do you have copies of the signed purchase orders or check requests?
- Are the checkbook and the check stock stored in a locked file cabinet or safe?
- Are expenses paid only with an original invoice and a document that verifies the goods were received?
- Are two signatures obtained on all checks over \$500?
- To encourage payees to cash checks, is there a void date stated on checks, such as “Void after 60 days”?
- Are checks made to vendors or employees (for reimbursements only) and not to cash?
- Do you understand the procedures to determine whether a worker is an employee or an independent contractor?
- Are all employees who perform work for the ASB paid through the District’s payroll?
- Is a Personal Service Agreement packet filled out for all independent contractors and are they paid through the Business Office?
- Do you reconcile all bank accounts within two weeks of the end of the month?
- When money is turned in from fundraisers, is there documentation provided that the money was counted by two people in charge of the fundraiser? When you verify the money are you given time to count it in the person’s presence? If time does not allow a count in the person’s presence, do you lock up the money and ensure a second staff member is present when the count is performed later?

Secondary Schools:

- Do you provide each club with information on the revenue and expenses to date each month? Is this also provided to the ASB advisor and principal?
- Do you ensure the advisors turn in the appropriate documentation for the fundraising event in addition to the cash collected? This documentation includes reports on tickets issued and other items.
- Are only ASB receipts deposited into the ASB accounts, e.g., library fines and athletic fees kept in segregated accounts?

In addition to good internal controls, the ASB office must have good access controls. Easy or unobstructed access to an ASB office creates an opportunity for fraud. Access controls allow the ASB bookkeeper to control who enters the office, especially during times of heavy traffic.

RECORD RETENTION

Pursuant to Oregon Administrative Rule 166-400-0025(3), financial records must be maintained for three years after the release of the audited financial statements.

FORMS

Various ASB forms can be found in the Document Center in Business Office Department of MyHSD; [HSD Document Center](#). Listed below are links to commonly used ASB forms:

- [ASB P-Card Monthly Statement Log](#)
- [ASB P-Card Application or Change Request Form](#)
- [ASB P-Card Agreement](#)
- [Missing Receipt Form](#)
- [ASB Transfer/Adjustment of Funds Form](#)
- [Authorization to Pay Form](#)
- [Personal Service Agreement Form](#)
- [Independent Contractor Checklist](#)
- [Application and Permit for Use of School Buildings](#)
- [Secondary - Revenue Distribution Report](#)
- [Secondary - Fund-Raising Activity Request](#)
- [Secondary - Fund-Raising Activity Net Profit Report](#)

ACCOUNTING AND FINANCIAL MANAGEMENT

ACCOUNT GROUPS

ASB accounting will have several groups of accounts within the following categories:

Assets

Assets are usually defined as anything the ASB owns that has either tangible or intangible value. Current assets are readily available or liquid, i.e., cash in a bank or in savings. Fixed assets are of a more permanent nature, e.g., a piece of sound system equipment.

Liabilities

Liabilities are debts to other parties, i.e., legal obligations that are unpaid. Liabilities include invoices to vendors for items received but not paid for.

Trust Accounts

Trust accounts are amounts donated to the school for scholarship, student aid, and other like uses. Trust accounts are also funds raised for specific purposes, for example, a drama club. The authority to use the resources comes from the donor or ASB club who specify the allowed uses of the fund.

Fund Balances

Fund balances represent the net worth of the ASB, which is the difference between the total assets and the total liabilities.

Revenue

Revenue is the amount of money received from the sale of goods or services, or money raised from fundraising activities. This is the money earned by the ASB.

Expenses

Expenses are the costs incurred for the purchase of goods or services. This is the money spent by the ASB.

FINANCIAL REPORTING

Financial reports are the most important monitoring devices businesses and public agencies use to determine their fiscal position.

In order for principals, ASB advisors, and students to understand the financial position of the ASB, the bookkeeper should provide financial statements on a monthly and annual basis.

The principal or designee is responsible do the following:

- Review monthly and year-end reports to ensure they are balanced and reconciled.
- Review and investigate any negative account balances at both the individual club and ASB levels.
- Verify that transfers and adjustments were authorized.
- Initial and date the report as evidence of their review. Submit a copy of the signed and dated report to the Business Office each month along with the signed and dated monthly bank reconciliation.

SchoolBooks Account Analysis Report

The District currently uses SchoolBooks accounting software for the ASB accounting. The Account Analysis Report in SchoolBooks combines the two basic financial reports: the balance sheet, and the

profit and loss statement. A balance sheet lists all of the assets and liabilities of an organization. The profit and lost statement compares revenue to expenses. The Account Analysis Report lists assets and liabilities, and compares revenue to expenses.

Inactive Accounts

Accounts that have been inactive for a period of three years or longer should be brought to the attention of the principal. The principal will determine whether the account should be closed or maintained. If the account is to be closed and has a balance of funds, the disposition of such funds will be determined by the principal. The original intent of the donor, fundraiser or fee will be respected when determining the end use of the funds.

CLOSING THE BOOKS

The ASB bookkeeper must close the ASB books at the end of each school year. Contact the Business Office if you need assistance.

To close the books, the bookkeeper needs to complete the following:

- Collect all un-deposited money from fundraising events and deposit the funds into the bank.
- Pay all outstanding invoices for goods and services received.
- Ensure the ASB advisor and students take a final inventory of the student store and any vending machine stock on hand.
- Balance the inventory count with the book value of the inventory. Make adjusting entries as needed.
- Provide a copy of the year-end trust and club account balances to the ASB advisors and/or individual club sponsors to have them verify account balances, making adjusting entries as needed.
- Prepare the financial statements for the fiscal year.
- If you need assistance, notify the Business Office when you are ready to make a back-up copy of your ASB software at the end of the fiscal year.

BUSINESS OFFICE SUPPORT

The Business Office has the responsibility of ensuring ASB personnel are properly trained (direct training, assigning mentors, etc.). Annual training sessions (individual or group, as needed) will be offered at the start of each school year. Issues that arise during the year can be addressed at the monthly office manager and/or bookkeeper meetings held at the Administrative Center. Additionally, the Business Office is available anytime through phone calls and email.

ANNUAL AUDIT

Annual audits are essential to the District's oversight responsibilities. These audits help the District ensure that appropriate procedures and controls are in place. Audit findings alert the District to weaknesses in the system that must be addressed. Principals and bookkeepers should be aware of all audit findings and participate in the steps needed to ensure that they do not recur.

HSD Policy on Audits

The following procedures are typically performed by auditors to ensure student body financial transactions are recorded accurately in the ASB's financial records.

- Review records and systems for adequacy of internal controls and conformity with generally accepted accounting principles (GAAP).
- Verify assets, liabilities, revenue, expenditures, and equity.
- Determine whether fundraisers were approved by the administration and were in the student body's best interest.
- Reconcile recorded receipts with the value of what was actually charged during fundraisers, e.g., the value of items or ticket prices for entertainment.
- Check for commingling of funds.
- Ensure receipts were credited to the proper account.
- Determine that trust funds (restricted donations and club accounts) were not used to finance general student body activities.
- Determine that student funds were not used for expenses that are the District's responsibility.

ASB Items for the Annual Audit

The following items are to be provided for review during the annual audit:

- Copy of the annual (7/1/xx – 6/30/xx) financial reports; the Analysis Summary and Detail Reports from SchoolBooks.
- Bank statements for checking account(s) reconciled from July of the audit year to July of current year.
- Support for expenditures, including original detail invoices and approved purchase requisitions.
- Support for revenue, including cash register reconciliations, ticket control, tally sheets, receipt books, and deposit information.
- Schedule of accounts receivable, if any, that lists name and amounts due as of June 30.
- Schedule of accounts payable, if any, that lists names and amounts owed to others as of June 30.
- Copies of the inventory, e.g., student store, vending machines, ASB equipment, and other items.

The ASB audit is part of the District's audit, and the cost is paid by the District.

BANK RECONCILIATIONS

For all accounts maintained by the student organization(s), reconciliations between the bank statement and student organization records must be performed for every period for which a statement is received. Control measures must be established to ensure reconciliations are

performed on time and accurately, and sufficient separation of duties exists. The ASB bookkeeper performs the bank reconciliation by comparing the transactions posted by the bank to the transactions posted in the ASB books for the same period.

The principal reviews and signs the reconciliations each month. A copy of the signed bank reconciliation is sent to the Business Office each month for review as well.

STALE CHECKS – UNCLAIMED PROPERTY

If a check is outstanding on your bank reconciliation for more than six months, it should be considered as potential unclaimed property. Here are the steps needed to stay in compliance with Oregon’s Unclaimed Property Law:

- Review outstanding checks over six months old for accounting errors, duplicate payments or checks issued in error. Void any duplicate or erroneous payments and document the reason.
- After research and corrections are made, make a diligent effort to contact the owners of the remaining outstanding checks. Efforts may include letters, emails and phone calls. Inform owners that their unclaimed checks will be sent to the Department of State Lands if they do not respond. General disbursements become unclaimed and reportable if the holder cannot be reached after three years.
- Place a stop payment on any checks that will be reissued. Issue a replacement check.
- Report the remaining unclaimed checks to the Department of State Lands; [DSL Unclaimed Property](#)
- Maintain records and documents related to unclaimed property reports and owner location efforts for three years after reporting.

SURPLUS PROPERTY

Equipment purchased with student body funds becomes the property of the District and may not be disposed of without the approval of the Superintendent or his/her designee per [Board Policy IG DG](#).

Oregon law requires that the disposal of District property be transparent, fair and equitable. The Business Office recommends a silent auction as a means of compliance. The basic steps for a silent auction are as follows:

- Place an ad in the District’s newspaper of record indicating the date and viewing times of auction items.
- Have bid forms ready and a sealed box to put them in.
- On the day of the auction, the public shows up, views the equipment, fills in their bid form with bid amount and contact information. The bidders place their forms in the sealed box.
- When the auction closes, the winner is notified.
- The bids and auction documents are kept on file for three years.

CASH RECEIPTS – MANAGEMENT AND PROCEDURES

Sound cash management procedures are essential for successful ASB operations. The most common ASB problem noted in audits of school districts involve failure to follow internal control procedures for the handling of cash from the time the cash is collected to the time it is deposited into the ASB bank account.

Strong internal controls not only protect against fraud, but also help prevent honest errors and act as a defense for the innocent when fraud or errors *do* occur. The principal needs to ensure proper cash control procedures are established and followed at two levels of cash collection. The first level is when the fundraising event is held and the cash and checks are collected. The second level is when the cash and checks are given to the ASB bookkeeper for deposit into the ASB bank account.

CASH CONTROL PROCEDURES FOR FUNDRAISING AND OTHER EVENTS

It is important to be able to tie all proceeds to the specific fundraiser or event from which they were generated, and to ensure all proceeds from an event are properly turned in and accounted for. A strong internal control system includes the following:

- Cash control procedures.
- Proper inventory of concession items.
- Proper cash handling and physical chain of custody for all cash receipts.
- No commingling of receipts from separate events.
- Immediate delivery of event proceeds to the ASB bookkeeper.
- Turning in a copies of receipts with the event proceeds.

It is imperative that some form of reconciliation takes place between money collected and fundraiser sales. Depending on the event, different control procedures may be used. Below is a list of simple cash control procedures that can be used for any fundraising event:

- Pre-numbered tickets for sales events
- A cash register for store-type sales
- Pre-numbered receipt books for receipt transactions
- A tally sheet for designated activities
- Inventory control for school-operated vending machines
- Cash boxes to keep the received money safe

After a fundraising event is scheduled, the advisor is responsible for ensuring that control procedures are in place. The advisor assists students in selecting and developing a good business practice for cash receipts, control procedures, and implementing the correct internal controls once the event begins. No student should handle cash without direct adult supervision.

Following are detailed steps for how the different procedures are used.

Pre-numbered Tickets

- The ASB bookkeeper at the school site is responsible for purchasing pre-numbered tickets and storing them in a safe place. Only the bookkeeper and principal (or designee) are to have access to the inventory of ticket rolls.
- The ASB bookkeeper must maintain a record of the number of rolls of tickets in inventory and the beginning and ending ticket numbers on each ticket roll. A ticket inventory form should be used for this purpose. When a roll of tickets is given to an advisor for a fundraising event, the beginning number is recorded on the form when the roll is issued, and the ending number is recorded when the roll is returned to the bookkeeper.
- Cash control procedure at the fundraising event involves two people: one person collects the money and issues the ticket when a purchase is made, and a second person takes the ticket when the person enters the dance or event.
- At the end of the fundraising event:
 1. The total number of tickets issued is counted and recorded on a ticket sales report. A second person should count the tickets to verify the accuracy of the count.
 2. At least two people must independently count the cash and checks collected, using a cash count form to facilitate the counting of the cash. The total amount of cash is entered on the ticket sales form.
 3. If the number of tickets sold does not equal the amount of cash collected, the students and the advisor need to determine the reason for the cash overage or shortage immediately after the event.
 4. The advisor is responsible for ensuring the following items are stored in a safe place: cash and checks, ticket sales form, cash count form, and remaining tickets. Each school site must establish after-hours cash security procedures so that event cash and checks can be stored safely until the next business day when they can be placed in the school safe.
 5. The advisor must give the cash and checks, ticket sales with cash count forms, and remaining tickets to the ASB bookkeeper by the first school day following the fundraiser. When the cash and checks are turned in to the bookkeeper, the physical chain of custody begins. The bookkeeper will issue a receipt for the cash and checks, but only after the two individuals have *jointly* counted the dollar amount and recorded that amount on the receipt.

Pre-numbered Receipt Books

- Pre-numbered receipt books are required when a computer generated receipt is not an option. The ASB bookkeeper is responsible for purchasing and maintaining an inventory of all receipt books. Receipt books must be pre-numbered and have triplicate copies.
- Fundraiser receipts are used as follows:
 1. Receipts must always be issued in sequence.
 2. One copy is given to the person making a cash purchase for the fundraiser.
 3. One copy is turned in to the bookkeeper with the cash.
 4. One copy remains in the book as the historical record.

- Each receipt should note the following:
 1. The date of purchase.
 2. The description and number of items sold.
 3. The total cash collected.
 4. The name of the person who received the goods.
 5. The name of the person who prepared the receipt.
- If a mistake is made on a receipt, the student should mark the receipt void and issue another receipt. For voided receipts, two copies remain in the receipt book, and one copy is turned in with the cash to provide for the continuity of receipts.
- At the end of the fundraising event:
 1. The amount of cash reported on the receipts is totaled and the receipts are sorted in numerical order. The students must account for all of the receipts used from the receipt book. Using a cash count form, at least two people count the cash and checks collected at the end of the fundraising event.
 2. If the amount of cash recorded as collected on the cash receipts does not agree with the cash reported on the cash count form, the students and the advisor should determine the reason for the cash overage or shortage immediately after the event.
 3. The advisor should ensure all cash, checks and receipts are turned in to the ASB bookkeeper each day for deposit. The bookkeeper should issue a receipt for the cash and checks after the two individuals have counted the dollar amount together and recorded that amount on the receipt.

Tally Sheets

- When tally sheets are used as the cash receipt control procedure, two people should be involved. When an item is sold, one person makes a mark on the tally sheet and issues the goods; the second person takes the cash.
- At the end of the event:
 1. The number of items sold is multiplied by the item's price to compute the total sales.
 2. At least two people should independently count the cash and checks collected, document, and sign a cash count form.
 3. The total sales is compared to the amount of the cash reported on a cash count form. If the amount on the tally sheet does not agree with the amount of cash collected, the ASB advisor and the students should determine the reason for the difference immediately after the fundraising event.
 4. The advisor should ensure the cash, the cash count form, and the tally sheet are stored in a safe place in accordance with site after-hours cash procedures.
 5. The ASB advisor turns in the cash collected, the tally sheet, and the cash count form to the ASB bookkeeper the next school day. The bookkeeper issues a receipt for the cash and checks *after* the two individuals have counted the dollar amount together and recorded that amount on the receipt.

Internal Controls for Cash and Check Receipts

The following are good business practices and internal controls for the ASB bookkeeper to follow when handling the cash and checks after they are received:

- The ASB bookkeeper should not accept any cash or checks without the appropriate supporting documents.
- The ASB bookkeeper should always count the cash in the presence of the advisor when it is turned in. This is also known as a dual cash count. Although dual cash counts are always recommended, those in the field often state there is not enough time to do it. Time should be set aside to count the receipts together because if a dual cash count is not performed and the advisor and bookkeeper end up with different totals, one of them may be suspected of wrongdoing. Many school sites have set up specific hours when cash can be brought to the bookkeeper to be counted in the presence of the person who brings the receipts. If this is not possible, a locked bank bag should be used so there is some certainty that the money counted and put in the bag after the event cannot be tampered with until the bookkeeper is able to count it.
- When the ASB bookkeeper receives funds from an ASB advisor, a receipt book is used to create a record of receipt of the cash, indicating the amount of cash shown on the cash count form. A copy of the receipt is given to the advisor.
- The ASB bookkeeper is responsible for endorsing the back of the checks received. Typically, a rubber stamp is used that states, "For Deposit to the Bank Account of (school's name)".
- The ASB bookkeeper is responsible for storing the cash, checks, and supporting documentation in a safe place until it is counted and deposited in the bank. Due to amount of cash often stored onsite, each school must have a safe for cash storage. If the safe is used almost exclusively for ASB funds, the purchase of a safe is an appropriate use of student body funds—if approved by the students.

Change Accounts

A change account is normally checked out for individual fundraisers or activities and should be used solely for making change. Expenditures should not be made from this account under any circumstances. When the fundraiser is complete, the change account should be deposited back into the bank account.

General cash control procedures for change accounts include the following:

- **Security:** Cash must be secured in an approved, locked safe at the end of each school day or must be kept (temporarily) in a locked, supervised drawer or file cabinet with controlled access during school hours. A lockable cash box should be used to ensure physical security of the cash.
- **Accountability:** Cash balances must always equal their authorized value, plus any receipted deposits, or minus any receipted disbursements.
- **Control:** A responsible faculty or student council member from the school site must sign out the cash from the bookkeeper.

- As soon as possible, the ASB bookkeeper should recount the cash and compare this count to the information turned in by the ASB advisor. This includes the following:
 1. Cash count form.
 2. Cash register tape.
 3. Report of ticket sales.
 4. Receipt book log.
 5. Tally sheet.
- If any discrepancies are noted, the bookkeeper needs to immediately notify the advisor of the differences, whether it is an overage or shortage and together they should determine the reason for the discrepancy. Significant discrepancies should be reported to the school principal. The loss of tickets is the same as the loss of cash. If they don't reconcile, something has gone amiss and a plan should be developed to ensure that it does not continue.
- After the ASB bookkeeper has verified the amount of cash, they should sign and date the cash count form and provide a copy to the ASB advisor. The ticket sales form should be verified, signed and dated by the bookkeeper and a copy provided to the ASB advisor, providing evidence that the amount of cash received by the ASB bookkeeper agrees with the amount the ASB advisor turned in.
- Deposits should be made to the ASB bank account at least weekly, though within two to three school days is preferable. Money should never be left at a school over the weekend or holidays—thefts are more likely to occur during those times.
- When the funds have been deposited, the ASB bookkeeper should retain a copy of the deposit slip with all of the documentation from the fundraising event. This is important so that auditors can determine when the fundraising proceeds were deposited and compare the amount deposited to the amount the ASB advisor turned in.
- The ASB advisor is responsible for maintaining the stock of ticket rolls and receipt books and updating the Ticket Inventory and Receipt Book Log forms whenever tickets or receipt books are used.
- The ASB bookkeeper must also maintain a master log of receipt books and ticket rolls.

CASH DISBURSEMENTS — MANAGEMENT AND PROCEDURES

In general, internal controls over cash disbursements ensure all disbursements are authorized, the ASB bookkeeper only pays for goods received, and the ASB bookkeeper maintains adequate records of all expenses.

General internal controls for ASB cash disbursements include the following:

- Students and staff members cannot use cash collected during a fundraising event to pay for an expense. The cash collected during the fundraising must remain intact for deposit. This ensures the students and ASB bookkeeper can perform a complete reconciliation of the fundraising event and that a complete audit trail exists. For example, if students are holding a bake sale and they need to purchase additional napkins during the sale, money cannot be taken out of the cash collected to buy more napkins.

- The ASB bookkeeper may pay for a purchase with ASB funds only if the purchase has been approved in advance by the student council/club, and the item(s) have actually been received.
- The ASB bookkeeper must maintain the checkbook and all check stock in a safe or locked file cabinet.
- ASB checks should never be signed in advance. For example, someone may ask for checks to be signed in advance if the principal will be out of the District for a week or two. This request should not be granted. Another signer on the account should sign the checks as needed during the principal's absence.
- The ASB bookkeeper should never make a check payable to cash or issue a check without a payee name or amount.
- Checks should not be made payable to an employee, except in the case of reimbursement for supplies purchased for the club.
- Checks must be issued in sequence.
- If a written check is written incorrectly or is not issued, the bookkeeper should mark the check void. The bookkeeper should retain voided checks in numerical order.
- The ASB bookkeeper is responsible for maintaining adequate records and an audit trail, including original detailed receipts of all expenses, adhering to the District's retention guidelines.

PURCHASE ORDERS/CHECK REQUESTS

The principal needs to ensure that all club members, teachers, and advisors understand that ASB funds cannot be obligated until a purchase order/check request is prepared and approved by the student club representative, advisor, and principal (or other Board designee). For example, if a teacher places an order for materials without an approved and signed purchase order, the teacher may be held responsible for paying for the goods.

- At a minimum, the purchase order/check request should include the following:
 1. The name of the student club or organization requesting the materials, which will be charged for the goods.
 2. The name and address of the vendor, if known.
 3. The quantity of goods, including a description and the cost.
 4. Three required signatures. These signatures must include a student representative, a Board designee (principal), and a certificated advisor. Because the purchase order has the three required approvals, the check only needs two signatures.
- Students submit the completed purchase order/check request to the ASB bookkeeper after all of the approvals are obtained. The purchase order/check request is recorded in the club's minutes and two copies of the purchase order/check requested are retained. One copy is saved as a permanent record of the order, and the other copy is used as a receiving copy.
- The ASB bookkeeper verifies that the club has sufficient funds to pay for the goods before the order is sent to the vendor. If the club does not have sufficient funds, the bookkeeper should return the purchase order/check request to the club with a request for a budget revision or a plan for how the item will be paid.

- The designated receiver (typically the club advisor) will open the shipment and compare the shipped items to the packing slip, sign the packing slip and turn the slip into the ASB bookkeeper.
- When the ASB bookkeeper is ready to pay bills, usually once a week, the bookkeeper matches the original purchase order/check request to the invoice and the signed packing slip (for shipped goods only). When all three documents are matched, the ASB bookkeeper will prepare a check to pay the invoice.
- The District *recommends* two signatures on all checks, but *requires* two signatures on checks over \$500 from ASB funds. One signature is usually the principal or designee and the other is a staff member from the school, e.g., the student council advisor. Students and bookkeepers are not allowed to sign ASB checks.
- When the checks are presented for signatures, the ASB bookkeeper should also provide all of the documents for review. This allows signers to review invoices and purchase orders before signing the check.
- The ASB bookkeeper mails the check and records it in the accounting records for the club.
- The invoice is marked paid and the check number is written on the invoice.

ALLOWABLE AND QUESTIONABLE EXPENSES

The principal is responsible for ensuring ASB funds are used to purchase goods and services that promote the students' general welfare, morale, and educational experiences. With few exceptions, e.g., awards and scholarships, ASB expenditures benefit a group of students rather than individuals.

Examples of Allowable Purchases

Examples of items generally considered to be allowable expenses from ASB funds are listed below. The examples are items *frequently questioned* and not the obviously appropriate ones, e.g., supplies for a student store, school photos, a disk jockey for a school dance, or rental of equipment that is for a school event.

The following are appropriate expenditures using ASB funds:

- Magazines and newspaper subscriptions for student use.
- Playground equipment.
- Library books.
- Supplemental equipment for student use that is not normally provided by the school entity, e.g., telescopes and aquariums.
- Field trips/excursions and outdoor education/science camps.
- Extra-curricular athletic costs, including costs for ticket sales, game officiating, and security.
- Costs for student social events.
- Scholarships.
- Awards.
- Indirect charges.

Examples of Prohibited Purchases

The following items are not usually allowable because they do not directly promote the general welfare, morale, or educational experience of the students, are considered a District responsibility, or are a gift of public funds:

- Salaries or supplies that are the responsibility of the District, e.g., teachers' salaries and negotiated stipends, curriculum supplies, office supplies, and equipment.
- Repair and maintenance of District-owned facilities and equipment.
- Articles for the personal use of District employees.
- Expenses for faculty meetings.
- Expenses for separate legal entities, i.e., booster clubs and foundations.
- Large awards.
- Employee appreciation meals.
- Employee clothing/attire.
- Donations.
- Cash awards to anyone because internal controls cannot be established and documented.
- Gifts—discussions regarding the purchase of gifts often conclude that trivial or insignificant gifts are acceptable. The District's recommendation is that expenditures of public funds or use of public funds in any amount should never be considered trivial or insignificant. Small gifts (not to exceed \$25) may be used as student rewards or prizes for classroom or extracurricular activities.

Donations Made By an ASB

ASB donations to nonprofit organizations and students or families in need are usually not allowable, regardless of how worthy the cause. ASB funds are legally considered public funds because they are raised using the District's tax identification number and its tax-exempt status. In general, fundraising that occurs on campus should be for the benefit of the ASB, not for other organizations. However, a student group may organize a fundraiser to support a charity as long as the event is clearly identified as raising funds to donate to that charity. All donations should be in the form of checks made payable to the charity and should be picked up by or delivered directly to the charity.

Another viable option is to have a parent group be in charge of the fundraiser. The group must have its own tax identification number and sufficient internal controls.

EMPLOYEE vs. INDEPENDENT CONTRACTOR

Employee (Authorized To Pay - ATP):

In certain circumstances, the ASB hires an individual to perform some service on behalf of the students. For example, the ASB may hire a disk jockey for a school dance or bring in an art teacher for a special project. The standard practice of the District is to treat the individual as an employee unless they pass the strict federal requirements to be classified as an independent contractor. The following steps must be followed to pay the (temporary) employee:

- The employee must complete all of the paperwork required by the District's Human Resources and Payroll Departments in order to be processed as an employee.

- The Human Resources Department assists the ASB organization in determining the appropriate hourly rate.
- The employee fills out an Authorized-to-Pay (ATP) form for services performed for the ASB.
- The principal then signs the ATP indicating the work has been completed, and budget account number(s) are assigned to the work.
- The ATP form and an ASB check made payable to Hillsboro School District are turned in to the Business Office, where the ATP will be processed with the next payroll.
- The employee is paid.

Independent Contractor (Personal Service Agreement- PSA):

If an individual requests to be paid as an independent contractor rather than as an employee, they must meet the requirements of the federal government as outlined in the District’s **Independent Contractor Checklist**. If qualified, the following steps will need to take place:

- A Personal Service Agreement packet is required for independent contractors who have not been previously set up in the District’s accounting system. The packet includes:
 5. Personal Service Agreement (PSA).
 6. Contractor vs. Employee Checklist.
 7. W-9 for Contractor’s Taxpayer Identification Number.
- A school principal can choose to authorize the PSA form for an entire school year or require a form for each project that a vendor works on.
- The bookkeeper sets up the independent contractor as a 1099 vendor in SchoolBooks.
- A copy of the W-9 is submitted to the Business Office. The original is kept in a secure file.
- After the services have been performed, the independent contractor submits an invoice, the ASB advisor or principal signs off on the invoice, indicating the work was completed satisfactorily. An ASB check request is authorized and given to the ASB bookkeeper to process for payment.
- At the calendar year end, the Business Office consolidates 1099 vendor totals for all schools and issues a 1099-MISC tax form to the IRS and to the independent contractor.

FUNDRAISING EVENTS

APPROVAL OF FUNDRAISERS

The principal authorizes fundraising activities through the use of the **Fund-Raising Activity Request** form found on the District’s Document Center. Before approving any events, the principal must be familiar with Board Policies regarding student safety and should contact the Risk Management Department if they have any questions. Other considerations would be the number and type of fundraising events and whether these events interfere with the normal conduct of schools should be considered. For example, it would not make sense for a high school to hold entertainment, e.g., a school play or spaghetti feed, on the same Friday night as a sports event because participation would not be as high. For these reasons, and as a good practice, the principal should review and approve ASB fundraising events at the beginning of each school year or designate another administrator to do so.

It is also important that non-district organizations, i.e., booster clubs and PTAs, coordinate the timing of their fundraisers with student body fundraisers so they do not compete with each other.

Fundraising events should contribute to the educational experience and should not conflict with the school's educational program. Funds are raised to benefit the entire club or student group, not individual students. For more information, review the [HSD Fundraising Guidelines and Fund Raising Guidelines Flow Chart](#).

Typically Allowed Fundraising Events and Revenue

The following types of fundraising events are generally considered appropriate:

- Athletic events.
- Concession sales.
- Entertainment.
- Advertising.
- Publications.
- Student stores.
- Cultural events/international fairs.
- Limited food sales.
- Vending machines.
- Car washes.
- Book fairs.
- Scholarships and trusts.
- Gifts and grants.

NON-STUDENT GROUP FUNDRAISING

Student body funds should not be commingled with the funds of non-student organizations e.g., booster clubs, foundations, and auxiliary groups. Student body funds are never to be used to "front" money for non-student body fundraising expenses. Non-student organizations shall be responsible for the collection of their own money, tickets, and other items.

Non-student organizations are not to solicit funds on behalf of a school or its students during the school day without prior approval by the Board or its designee for each individual fundraising event.

ASB ACCOUNTS ARE NOT PASS-THROUGH ACCOUNTS

ASB accounts are not and should not be used as pass-through or clearing accounts. Money should only be deposited into ASB accounts if it is ASB funds and will be used for appropriate ASB purposes.

The Business Office recommends that teachers and staff use a pay-as-you-go method for their activities. This method collects and spends money for each separate event and does not involve the

ASB accounting system. However, if a principal chooses to have a staff “sunshine” fund, it should be clearly labeled for staff purposes so there is no confusion that the funds are meant for adults and not the students.

When possible, principals should avoid having a principal account in the ASB Fund. If he or she wishes to earmark some unrestricted funds for a certain student body event, a better option would be to set-up an account specific to the event and deposit the funds into that account. If a principal chooses to have a principal account within the student body fund, the account should clearly be labeled for the principal. All deposits into the principal account should have support documentation that clearly demonstrate the funds were not intended for the student body.

GIFTS AND DONATIONS TO AN ASB

ASBs are frequently the recipients of gifts and donations from community and business organizations. It is important for the principal or designee to determine whether the donation is meant for the exclusive use at that school site, or if the donor intends the donation to be given to the ASB organization.

The principal should send the donor a thank you letter. The template for the letter can be found in Staff Links under Donations & Fundraising on the HSD website.

HSD Policy on Public Gifts

Restricted vs. Unrestricted Donations

When a donor does not specify how an ASB donation is to be spent, the funds are considered unrestricted and should be deposited into the main student body fund. The principal has the authority to determine how to spend unrestricted funds. Often a donor specifies how the donation

is to be spent, such as for library books or technology supplies. When the donor places restrictions on the donation, the principal or designee must ensure that the funds are recorded in the proper account in order to honor the restrictions.

DONATIONS OF CASH TO THE DISTRICT FOR A SPECIFIC SCHOOL SITE OR PROGRAM

Donations of \$5,000 or greater made to a particular school site must be remitted to the Business Office in accordance with Board policy. The Business Office will deposit the funds into the District’s general checking account and record the revenue to the 275 Donation Fund using the school’s location code. The principal will determine how to use the donated funds, within District guidelines, and will ensure that the donor’s requests are fulfilled. Donation funds that remain unexpended at year end will remain in the school’s Donation Fund Account and will be carried over to the new school year.

BOOSTER CLUBS AND PARENT-TEACHER GROUPS

Booster clubs, foundations, and other parent-teacher groups are formed to provide financial support and/or assistance in some form to achieve the common goals of booster and school programs. Booster clubs and other school-related organizations or groups, all of which will be referred to as booster clubs in this chapter, are typically separate legal organizations and are *not* a part of the District.

Booster clubs have many purposes and are not limited to the following examples:

- Assisting a principal, faculty advisor, sports coach, and other District staff in performing parts of activities.
- Assisting students through scholarships.
- Purchasing supplies for the school.
- Assisting with funds for field trip travel.

Specific activities connected to students, parents, and adults:

- Sports programs.
- Field trips.
- Performing arts.
- Language programs.

The relationship between student organizations and booster clubs is often confusing. ASB organizations are legally considered part of the District. For this reason, ASBs are included in the District's annual audit and have the benefit of the District's tax-exempt status under the internal revenue code.

Booster clubs may raise funds and donate those funds to the District or purchase items for donation or assistance to the District; however, they are not *legally* considered a part of the District and are not included in the annual audit. Some organizations, e.g., a PTA, are established as nonprofit corporations with a separate tax-exempt status. However, many booster clubs have not applied for, nor received, nonprofit status and do not have their own tax identification number. It should not be assumed that they are all official groups in the eyes of the IRS.

GLOSSARY

The following list of commonly used terms has been compiled to assist students, student councils, teachers, activity sponsors, student activity directors, ASB bookkeepers, and all others who work with ASBs.

Account Code – A sequence of numbers assigned to identify sources of revenue, purposes of expenditures, assets, liabilities, and fund balances.

Accounting – The process of recording, classifying, and summarizing financial transactions in monetary units to show the results of those transactions.

Accounting Period – A period of time for which records are maintained and, at the end of which, financial statements are prepared covering the period.

Accounts Payable – Amounts due and owed—to persons, businesses, governmental units, or others—for goods received or earned and services rendered before the end of the fiscal period. This includes amounts billed but not received or paid.

Accounts Receivable – Amounts due and owed from individuals, businesses, governmental units, or others for goods received or earned and services rendered before the end of the fiscal period. This includes amounts billed but not received.

Assets – Anything owned that has value, either tangible or intangible. Assets may be further segregated into current assets and fixed assets.

Associated Student Body (ASB) – Any organization of students having as its purpose the conduct of activities on behalf of the students as approved by the governing body of the organization and by the school authorities, and not in conflict with the authority and responsibility of the public school officials.

Balance Sheet – A statement that shows assets, liabilities, reserves, and fund balance (or deficit) of an entity on a specific date and is properly classified to exhibit the true financial position of the entity as of that specific date.

Bank Charges – Fees or charges made by banks to cover the expenses of handling depositors' accounts.

Budget – A plan of financial operation consisting of an estimate of proposed revenue and proposed expenditures for a given period and purpose.

Canceled Checks – Checks that have been issued by the depositor and paid by the bank.

Capital Outlay – Money spent for major physical changes to a school, e.g., new buildings, renovations, reconstruction, or certain new equipment. These investments in the physical structure

of a school are expected to last for a number of years. Capital outlay also includes furniture and equipment.

Cash – Currency, checks, money orders, bankers' drafts, and bank deposits.

Cash Disbursement Journal - A special accounting journal used for recording all cash disbursements.

Cash Receipts Journal – A special accounting journal used for recording all cash receipts.

Chart of Accounts – A list of accounts, systematically arranged, that are applicable to a specific organization. All account names and numbers are listed in order.

Check – A bill of exchange drawn on a bank payable on demand; a written order on a bank to pay on demand a specific sum of money to a named person or business out of money on deposit to the credit of the maker.

Classified Employees – Unlicensed employees (not required to hold teaching credentials), e.g., bus drivers, secretaries, custodians, instructional aides, and some management personnel.

Credit – A term used in double-entry bookkeeping for the right side of double-entry posting. The credit will reduce assets and expenditures and will increase liabilities, revenue, and fund balance. The typical balance for liabilities, revenue, and fund balance accounts is a credit amount.

Debit – A term used in double-entry bookkeeping for the left side of double-entry posting. The debit will increase assets and expenditures and reduce liabilities, revenue and fund balance. The typical balance for assets and expenditure accounts is a debit amount.

Deposit in Transit – Any deposit recorded on the books but not shown on the bank statement.

Disbursement – Payment by currency or check.

Double-entry – A system of bookkeeping that requires an amount credited for every corresponding amount debited. A double-entry ledger maintains equality of debits and credits.

Equity or Fund Balances – These accounts show the net worth of the ASB. The equity is the difference between the total assets and the total liabilities.

Expenditures (or Expenses) – Costs incurred to purchase goods or services. This is the money spent by the ASB.

Financial Statement – Formal statements accurately reflecting the results of business and the financial position of the enterprise.

Fiscal Year – A 12-month period with the beginning and ending dates set by law. In Oregon, a school district's fiscal year is from July 1 to the following June 30.

Fixed Assets – Assets that are permanent in nature. A piece of equipment, e.g., a sound system, is an example of a fixed asset. Board policy qualifies fixed assets as any asset with a cost of \$5,000 or higher.

General Journal – A journal used primarily for opening, adjusting, accruing and closing entries. Transactions of a less routine and less frequent nature are recorded in the general journal.

General Ledger – A book or file in which accounts are kept to the degree of detail necessary to summarize the financial transactions of an organization; includes all of the assets, liabilities, and elements of equity of an enterprise, including revenues and expenses.

Indirect Cost Rate – Rate used to charge a portion of the general expenses of operating a District to a specific program, e.g., food services or a grant program.

Interest – A fee charged a borrower for the use of money or a yield earned on money on deposit.

Investments – Disbursements of cash for the purpose of generating income.

Journal - Any accounting record in which the financial transactions of an organization are formally recorded for the first time, e.g., a check register or a receipt book.

Liabilities - Legal obligations that are unpaid. These include invoices to vendors for items received but not paid for.

Licensed Employees – Employees who hold a state’s required teaching credentials, including full-time, part-time, substitutes, and temporary teachers, and most principals.

Net Income – The difference left between revenues and expenses.

Outstanding Checks – Checks that have been issued by the ASB but have not been presented for payment at the bank and do not appear on the bank statement.

Petty Cash – A sum of money set aside for the purpose of making change or for immediate payments of small amounts.

Purchase Order – A document issued to a vendor or business that authorizes the delivery of specified merchandise or the performance of certain services and the making of a defined charge for the goods or services.

Reserves – Funds set aside in a school entity budget to provide for future expenditures, to offset future losses, for working capital, or for other purposes.

Revenue – Receipt of money from the sale of goods or services or as profit from fundraising activities or investments. This is the money earned by the ASB.

Trial Balance – A list of the balances of the accounts is a ledger kept by double entry, with the debit and credit balances shown in separate columns. If the totals of the debit and the credit columns are equal, the ledgers are said to be in balance.

Trust Accounts – Sums of money held by an organization for another group or organization. The ASB acts as trustee for scholarship accounts, class accounts, club accounts, and restricted donations.

FREQUENTLY ASKED QUESTIONS (FAQs)

POLICY QUESTIONS

Q. What are the general guidelines that apply to student body funds?

A. Student body funds must be used to promote and finance a program of worthwhile activities for current students, beyond those activities provided by the District.

Q. Our high school principal asks our student council to set aside \$500 of their funds every year in a “Principal’s Discretionary Account” for him to make certain expenditures. We don’t know what these funds are used for. Is this allowable?

A. No, this is not allowable. Student funds should not be comingled with the principal fund or any other staff fund. Only non-student body funding sources that are specifically earmarked for the principal should be set aside for the “Principal’s Discretionary Account.”

Q. The teachers at our school have a “Sunshine Fund.” Can they deposit their money into our ASB bank account for safekeeping?

A. Yes, the fund should be clearly labeled for staff purposes so there is no confusion that the funds are meant for adults and not the students. Another alternative would be to use a pay-as-you-go method for staff activities. A collection would be taken up for each event and spent right away, avoiding the ASB fund all together. This prevents any potential comingling of staff funds with student body funds.

Q. The parents of some of our baseball players opened up a parent bank account to raise funds for the baseball program. They would like our varsity baseball coach to be able to write checks for the teams’ needs using their parent group account. Is this permitted?

A. If the intent is to have the baseball coach manage or disburse the funds, the parent group should donate the funds to the ASB baseball club. As an outside group, the parents may not use the District’s tax identification number when raising these funds.

Q. Can our club make a donation to a charitable organization, e.g., the American Red Cross? We want to do something to support this charity.

A. Donations from an ASB fund are usually not allowable because they are considered a gift of public funds. If your student group wants to organize a fundraiser to help a charity, they may hold a fundraiser that is clearly identified as supporting that charity, and ask that all proceeds be paid by checks made payable directly to the charity. These checks would then be delivered to the charity.

USE OF STUDENT BODY FUNDS

Q. My principal would like to use student body funds for a staff appreciation luncheon. Is this permitted?

A. Student body funds are not to be used for staff activities. The principal’s General Fund Discretionary Budget should be used for this type of expense.

The student council, however, may initiate an appreciation activity for staff. For example, the dance team wishes to thank the custodians for their extra efforts in cleaning up after their practices by buying them pizza. For this type of expenditure, the signature of the student leader on the documentation, as well the club advisor’s signature must be obtained.

Q. My principal has a deficit balance in their General Fund Discretionary Budget and would like to use student body funds to cover this deficit. Is that allowed?

A. Using student body funds to cover an overspent General Fund budget is strictly prohibited.

Q. Our coach wants to attend a coaching conference and wants the ASB football club to pay for the conference, including hotel, airfare, and meals. Is this allowable?

A. ASB funds must be spent to benefit the students. If the football club's student leadership determines there is a benefit to the football club, this would be an allowable expense. The check request should have the student leadership and athletic director's signatures on it.

Q. Our softball coach purchased a sympathy flower arrangement for a fellow staff member and has asked me to reimburse her out of the Girls' Softball student body account. Is this an appropriate use of student body funds?

A. Student body funds are to be spent only on activities that benefit the club as a whole. If the sympathy arrangement is sent *on behalf of the entire softball team*, that would be an appropriate use of funds. The request must be signed by the team captain in addition to the athletic director.

Q. Our Cheerleading advisor had dinner with a coach who put on a camp for our cheerleaders. May I reimburse her using student body funds?

A. If the dinner is not attended by the students, it would be an inappropriate use of student body funds.

Q. Can ASB pay chaperones who are also staff members?

A. Yes, paying chaperones for ASB events is an allowable ASB expenditure. An Authorized to Pay (ATP) Form will need to be filled out and submitted to the Business Office along with payment from the ASB account. The staff member will receive the payment through the payroll process.

ACCOUNTING QUESTIONS

Q. We have often found that we need additional supplies during our fundraising events. Can the student council authorize, in advance, someone to take some of the cash proceeds collected and purchase the things we need the day of our fundraiser?

A. No. All cash collected must remain intact for the audit trail. However, the student council may authorize someone to purchase items and be reimbursed afterwards through the ASB purchasing process.

Q. Our school office is short on staffing this year. Can we set-up our bookkeeper or student council president as the second signer on our ASB bank account?

A. No. Because bookkeepers are responsible for recording deposits and payments, they should not be an authorized signer on the bank account. Students are not employees of the District and therefore should not be signers on a District bank account. Contact the Business Office for assistance.

Q. Our auditors wrote us up because one of our clubs overspent its account. The District says the ASB is responsible for this deficit. Why did we get written up and who is responsible for the deficit?

A. Clubs or groups are not allowed to deficit spend. Board policy states that all expenses be pre-approved. Part of the preapproval process should include verifying that the club has sufficient funds. If one club deficit spends, the other groups or the general student council/leadership class are forced to cover the deficit, even though the other groups have not approved such an expense.

Q. One of our club advisors used the school's procurement card (P-Card) and turned in a \$120 receipt from Red Robin for a team event. The receipt was not itemized, so I don't know what was purchased. What should I do?

A. Itemized receipts are required for all purchases. You should contact the club advisor and request that he or she contact the vendor for an itemized receipt. If the vendor cannot supply a copy of the receipt, the club advisor should fill out a [P-Card Missing Receipt Form](#) which can be found in the [MyHSD Document Center](#). Frequent instances of missing receipts should be brought to the attention of the principal and may lead to the termination of the club advisor's P-card.

Q. The Dance Team went on a trip to Seattle for a competition. The advisor requested cash to cover the per diem for each day's meals for the students. What type of documentation should I have for this?

A. Before advancing the funds, you will need to have a list of each student who is attending, along with documentation of the number of meals for each day they are at the competition. Your school can specify any student per diem rate as long as it doesn't exceed the District's rates. When the team returns from the trip, you should obtain a second list of those who attended, along with each student's initial that he or she received the number of meals for they were advanced.

Q. I recently received a reimbursement request for a meal. The receipt was itemized; however, the expense was for a \$10 lunch, and the employee left an \$8 tip, for a total charge of \$18. What is the District policy on tipping?

A. District policy states that tipping must not be in excess of 20% of the restaurant check. When you receive a request with an excessive tip, you should calculate a 20% tip and reimburse only that amount. In this case, you would reimburse only \$12. The remaining \$6 should be picked up by the employee.

GIFTS AND GIFT CARDS

Q. We purchased gift cards for some of our volunteers and staff members who stayed late and helped clean up after a school dance. Is this OK?

A. Small incidental gift cards are an appropriate gesture of appreciation. Gift cards that exceed \$25.00 would be deemed as compensation and not allowed.

Q. A classroom teacher purchased ten \$5 gift cards to an ice cream shop as rewards for a classroom spelling bee. Is this OK?

A. Yes. Small gift cards can be purchased to be used for student rewards or prizes for classroom or extracurricular activities.

Q. One of the parents in our school wants to give \$100 to her son's teacher in appreciation of her hard work. Is she permitted to accept this gift?

A. No. Under Oregon ethics rules, government employees may not accept gifts or gratuities, other than those that are inconsequential or of minimal value (less than \$25). However, if the parent would like to donate the amount to the teacher's classroom fund, the teacher would be allowed to use these funds to purchase items to benefit the students in her classroom.